

**MINUTES OF THE
CHARITABLE GAMING BOARD
MEETING
RF&P FORUM ROOM
SCIENCE MUSEUM OF VIRGINIA
2500 W. BROAD STREET, RICHMOND, VIRGINIA
June 15, 2004**

Call to Order

Ruth Modlin Ellett, Chair, called the meeting to order at 10:05 a.m. She welcomed Mr. Wesley I. Crowder, the newest member of the Board. Mr. Crowder replaces Mr. Carroll Bridgeforth. The following Members were present comprising a quorum.

Present: Emmitt H. Carlton, Wesley I. Crowder, Ruth M. Ellett, Donald R. Fields, John C. Goolrick, Tony Landis, Richard I. Miller, and Michael Sheffield.

Absent: Thomas Lehner

Approval of Minutes

The Chair asked for a motion to approve the Minutes from the March 2, 2004, meeting. A motion was made, seconded and the Minutes were unanimously approved.

Department Update

Director Clyde Cristman gave the Board members a brief overview of the Department's mission statement, goals and staff reorganization that was effective April 1, 2004. The Director introduced Kay Cholko and Ricky Ribbon, the two Senior Auditors who have joined the staff since October 2003.

Summary of Focus Group Meetings

A packet of summary sheets of information gathered at the nine focus group meetings was distributed to the board members. Director Cristman gave a brief overview of these findings.

The Chair asked each Board Member who had participated as a facilitator at a Focus Group Meeting to provide their impressions of the meeting. In general all the group meetings were well attended with good participation from the organization's representatives. The representatives from the organizations, especially those in locations further away from Richmond, voiced appreciation to meet with Department staff and discuss their concerns. Some of the more

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common concerns that were heard from the sessions were age limits for players/workers, use of proceeds, and prize limits. Director Cristman reported that plans were being made to hold four or five regional meetings after the Regulations have been drafted to ensure that all the organizations have an opportunity to have input into the final product.

The Chair thanked the Board Members for their participation in this process.

Review of Charitable Gaming Statute

Director Cristman reviewed the suggested changes to the Gaming Statutes with the Board.

During discussion of § 18.2-340.18.1 regarding the degree of law enforcement powers of our staff, several Board Members ask Director Cristman to research what powers other states grant to their charitable gaming law enforcement staff and report back to the Board at the next meeting.

The Director stated that a draft summary of the proposed changes to the Regulations would be sent to each Board Member by mid-August for discussion at the next meeting.

Approval of NOIRA

Board Members had received copies of Notices of Intended Regulatory Actions (NOIRA) for the Charitable Gaming Rules and Regulations and the Supplier Regulations that the Department is to submit to the Virginia Regulatory Town Hall which begins the formal revision process.

The Chair asked for a motion from the Board to approve the submission of the two NOIRA documents as written by the Department staff. A motion was made and seconded and the request for the Board's approval to submit the two NOIRA documents was unanimously granted.

Byler Awards Subcommittee Report

Subcommittee member Michael Sheffield thanked Director Cristman and Assistant Director Bowman for their assistance in developing the proposed selection criteria. He reported on the criteria that the Subcommittee is recommending to be used for the selection of the Byler Awards to be made at the December meeting:

Suggested Awards Groupings/Categories:

- Veterans
- Fraternal
- Exempt (Fire/Rescue)
- Community (civic groups, skating, etc)
- Education
- Religious

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Criteria to be considered for making initial selections (ranked by importance):

1. Use of proceeds – high percentage.
2. Timeliness of filing reports (quarter/annual) – no penalties, thus not late.
3. IFFC/Consent Order (should be none).

Criteria to be used for further review and selection of award winners:

- A. Clean audit by audit unit.
- B. No founded complaints by inspection.
- C. Conduct of game is “good and properly run” from inspection reports.
- D. Timeliness of license renewal applications, not received two weeks before expired
- E. Payments of fees: on time and never issued bad check to DCG.

The Chair asked if there were any questions on the Subcommittee’s suggested criteria. There being no questions, the Chair asked for a motion for the Board to accept the Subcommittee’s recommendations for selection criteria for the Byler Awards. A motion was made, seconded and the Selection Criteria were unanimously approved.

The Chair announced that the Subcommittee members (Carlton, Lehner and Sheffield) will continue to work with the Department staff to identify the Byler award recipients to be recognized at the December 7, 2004 meeting of the Board.

Other Business

The Chair asked if there was any Member who had any other business to bring before the Board. Richard Miller wanted to make everyone aware of the probability of the approval of legislation introduced in the U.S. Congress that would recognize six Virginia Indian Tribes with sovereign status. John Goolrick reported that the legislation is strongly opposed by Rep. Frank Wolf who believes that the passage will allow the introduction of casino gaming in Virginia. The Indian Tribes have said they will not build casinos on their land since the Commonwealth does not support gambling. Mr. Miller believes that Indian gaming would have a catastrophic negative effect on charitable gaming, because the Indian games would not have to adhere to our regulations.

Director Cristman added that he will send a copy of a report on the proposed Indian Gaming legislation to the Board. There is a clause in this legislation about giving each Tribe permission to game.

Richard Miller also commented that there should be a way the Department could have greater authority to be able to adjust the prize limits instead of having to go through the 18 month process with the General Assembly.

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The Chair asked if there was any member of the public that would like to address the Board. Pete Chiusano, an attorney representing the Virginia Bingo Group, had a copy of an article about the Indian Gaming issue that he distributed to the Board members. The article discussed the recognition of the Tribes would be effective in 2007. Mr. Chiusano suggested that if the Board wants to propose any type of legislative package that would assist gaming organization meet the competitive threat proposed by Indian gaming, they might want to consider working on this issue this year. This would take into consideration the time needed for the regulation process. One element of pro-active legislation the Board may want to consider is developing different classes of gaming licenses similar to what is done in South Carolina.

Mr. Chiusano would also like the Board to consider eliminating the audit and administration fee paid by gaming organizations and instead impose a fee added on to gaming supply purchases that would cover the cost.

Mr. Chiusano also commented on the fact that the Board needs to address the issue that allows some organizations to use bingo funds to fund retirement plans.

Next Meeting

The next meeting of the Board is scheduled for September 14, 2004, at 10:00 in the Discovery Room of the Science Museum of Virginia. The Chair reminded the members that this meeting may run long because of the discussion of proposed regulations so they should be prepared to stay until 2:00 p.m.

Adjournment

There being no further business, a motion was made and seconded and the meeting was adjourned at 12:45 p.m.

Submitted by:

Frances C. Jones

Frances C. Jones
Recorder

Clyde E. Cristman

Clyde E. Cristman
Director

CEC/fej
7/15/04

Minutes unanimously approved as written at Charitable Gaming Board Meeting September 14, 2004.